

## NEW LICENSING PROCESS AND COMPLIANCE INSPECTIONS, FREQUENTLY ASKED QUESTIONS (FAQ'S)

House Bill 2366

JUNE 2008

1. **Q:** When did these changes take affect and under what authority?

**A:** These changes took affect with the passage of House Bill 2366 (HB). A link to this HB can be found on your licensing program's home page.

2. **Q:** When will the Division of Licensing Services begin implementation of this HB?

**A:** The implementation of this HB will be in 2 phases. The **first phase** is currently in effect and will remove the requirement that the Department of Health Services (DHS) conduct an inspection before issuing a renewal license. The **second phase** will be the implementation of electronic submission of applications and necessary fee(s) directly to your licensing program. This is anticipated to be operational sometime in the future. NOTE: Even with the implementation of the electronic submission of application and necessary fee(s) system, you can always utilize the "hardcopy" application and necessary fee(s) system currently in place.

3. **Q:** With the removal of the requirement that DHS conduct an inspection before issuing a renewal license, will I still be subject to an inspection?

**A:** Yes. You will still be subject to a "compliance inspection" at least once during each licensing period (except in specified circumstances found within the HB). Two of the specified circumstances are: 1.) The Director shall accept proof that a health care institution is an accredited hospital or is an accredited health care institution in lieu of all compliance inspections.... However, you are subject to a compliance inspection if the health care institution's accreditation report is not valid for the entire licensing period or if the Director has reasonable cause to believe a health care institution is not adhering to the licensing requirements. Also note, complaint investigations may occur at any time. 2.) After the initial license period ends and after the Department determines a facility is deficiency free on a compliance inspection, the Department shall not conduct a compliance inspection for 24 months from the date of the deficiency free survey. However, you are subject to a compliance inspection, if the Director has reasonable cause to believe a health care institution is not adhering to the licensing requirements. Also note, complaint investigations may occur at any time.

4. **Q:** Will this new process change my current license expiration month?

**A:** No. In most cases, your current license expiration month will remain the same. However, your license expiration month may change if you are given a provisional license (see FAQ on provisional licenses).

5. **Q:** Why is this a benefit to me as a provider and member of the community?

**A:** This is a benefit as long as a licensed facility has delivered a renewal application with necessary fee(s) no earlier than 120 days but no later than 60 days prior to license expiration date. The renewal application must be determined by the Department to be complete and in compliance. The Division of Licensing Services (DLS) will be able to issue your license without waiting for a compliance inspection. This would mean that licensed facilities should not experience an expired license while waiting for a compliance inspection.

6. **Q:** Will this new process apply to initial and change of ownership applications?

**A:** No. Initial and change of ownership applications must follow the current application process and may be subject to compliance inspections BEFORE being issued a license. However, once the electronic application and necessary fee(s) system is operational, initial and change of ownership applications and necessary fee(s) will allowed to be submitted electronically.

7. **Q:** What happens if I receive a provisional license after I have had a “regular” license?

**A:** A provisional license may change your license’s expiration date. The provisional license is generally issued from the date of non-compliance and up to 1 year from this date. Depending on when the non-compliance occurred, a provisional license with a “new” expiration date may be issued. Once a provisional license has been issued, the licensee may submit an application for a substantial compliance survey. This application must be filed with the licensing program at least 30 days before the date the substantial compliance survey is requested. If upon the substantial compliance survey the facility is found to be in substantial compliance, a regular license will be issued. In most cases, this will change your usual license expiration month.

Note: a provisional license can be issued for up to one year and the Department cannot issue 2 consecutive provisional licenses.

8. **Q:** Until the second phase of implementation, when an electronic application is available, how do I get a renewal application?

**A:** You can find renewal applications on-line at your licensing program's home page. You can complete the renewal application on the computer and print it out to mail or deliver to your licensing program. For initial or change of ownership applications, please check with your licensing program, as some programs will not have these applications available on their home page. In this case please call the program and they will mail one to you.

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9. **Q:** How will this new process affect my Medicare or Medicaid Re-certification surveys?

**A:** There will be no changes in this area. The same procedures will be followed.

10. **Q:** Will architectural review applications be affected by this new legislation?

**A:** No. The architectural review process will not be affected.

11. **Q:** How can I find a copy of HB 2366?

**A:** You have 2 ways of viewing this bill. You can go to [www.azleg.gov](http://www.azleg.gov) and look up HB 2366 or you can go to your licensing program's home page where you will find a link to this bill.

If you would like any further clarification or have any other questions, please contact your licensing program.

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